

ASSEMBLY BILL

No. 1561

Introduced by Assembly Member Rodriguez

January 29, 2014

An act to amend Sections 18804 and 18808 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1561, as introduced, Rodriguez. Taxpayer contributions: California firefighters' and peace officer memorial funds.

The Personal Income Tax Law authorizes an individual to contribute amounts in excess of his or her tax liability for the support of specified funds, including, among others, the California Firefighters' Memorial Fund and the California Peace Officers' Memorial Foundation Fund. Existing law provides for the repeal of the contribution provisions for these funds on January 1, 2016.

This bill would instead repeal those provisions on January 1, 2026.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The California Fire Foundation and the California Peace
- 4 Officers' Memorial Foundation have been at the center of
- 5 California's commitment to honor firefighters and law enforcement
- 6 officers who have given their lives in the line of duty in service to
- 7 the citizens of this great state.

(b) Sponsored by The California Fire Foundation and the California Peace Officers' Memorial Foundation, respectively, the California Firefighters Memorial and the California Peace Officers' Memorial were individually designed and built, and are currently maintained to forever memorialize the dedication of our state's fallen heroes.

(c) Both memorials serve as lasting tributes to the men and women who gave their lives to help protect their fellow Californians.

(d) Each year, hundreds gather in Sacramento as our state joins together during ceremonies honoring and remembering the firefighting and law enforcement personnel who made the ultimate sacrifice to keep California safe.

(e) Both The California Fire Foundation and the California Peace Officers' Memorial Foundation are the official statewide nonprofit, public benefit organizations in receipt of the proceeds from two state personal income tax checkoff funds.

(f) Voluntary taxpayer contributions, which are generated through the two personal income tax checkoffs on the personal income tax form, are earmarked specifically for the California Fire Fighters Memorial and the California Peace Officers' Memorial.

(g) Both The California Fire Foundation and the Peace Officers' Memorial Foundation are charged with funding ongoing maintenance and repair of their respective memorials for the thousands who continue to visit these sacred, solemn grounds, while each also hosts an annual memorial ceremony to honor our brave firefighters, law enforcement officers, and the families they leave behind.

(h) Extending the sunset date of the voluntary contributions to the California Firefighters' Memorial Fund and the California Peace Officers' Memorial Foundation Fund for state personal income tax checkoffs is appropriate, and doing so will continue to allow these foundations to carry out the important goal of ensuring the memorial sites remain sacred ground for all Californians to remember and reflect upon the contributions and sacrifices of our state's bravest.

SEC. 2. Section 18804 of the Revenue and Taxation Code is amended to read:

18804. (a) This article shall remain in effect only until January 1, ~~2016~~, 2026, and as of that date is repealed, unless a later enacted

1 statute, which is enacted before January 1, ~~2016~~, 2026, deletes or
2 extends that date.

3 (b) (1) If the repeal date specified in subdivision (a) has been
4 deleted and if, thereafter, in any calendar year the Franchise Tax
5 Board estimates by September 1 that contributions described in
6 this article made on returns filed in that calendar year will be less
7 than the minimum contribution amount prescribed by paragraph
8 (2), then this article is inoperative with respect to taxable years
9 beginning on and after January 1 of that calendar year. The
10 Franchise Tax Board shall estimate the annual contribution amount
11 by September 1 of each year using the actual amounts known to
12 be contributed and an estimate of the remaining year's
13 contributions.

14 (2) For purposes of this section, "minimum contribution amount"
15 means two hundred fifty thousand dollars (\$250,000) for any
16 calendar year.

17 (c) Notwithstanding the repeal of this article, any contribution
18 amounts designated pursuant to this article prior to its repeal shall
19 continue to be transferred and disbursed in accordance with this
20 article as in effect immediately prior to that repeal.

21 SEC. 3. Section 18808 of the Revenue and Taxation Code is
22 amended to read:

23 18808. (a) This article shall remain in effect only until January
24 1, ~~2016~~, 2026, and as of that date is repealed, unless a later enacted
25 statute, which is enacted before January 1, ~~2016~~, 2026, deletes that
26 date.

27 (b) If the repeal date specified in subdivision (a) has been
28 deleted, all of the following apply:

29 (1) By September 1 of the calendar year beginning after the
30 effective date of the act deleting the repeal date and by September
31 1 of each subsequent calendar year that the California Peace
32 ~~Officer's~~ *Officers'* Memorial Foundation Fund appears on a tax
33 return, the Franchise Tax Board shall do all of the following:

34 (A) Determine the minimum contribution amount required to
35 be received during the next calendar year for the fund to appear
36 on the tax return for the taxable year that includes that next calendar
37 year.

38 (B) Provide written notification to the California Peace Officer
39 Memorial Commission of the amount determined in subparagraph
40 (A).

1 (C) Determine whether the amount of contributions estimated
2 to be received during the calendar year will equal or exceed the
3 minimum contribution amount determined by the Franchise Tax
4 Board for the calendar year pursuant to subparagraph (A). The
5 Franchise Tax Board shall estimate the amount of contributions
6 to be received by using the actual amounts received and an estimate
7 of the contributions that will be received by the end of that calendar
8 year.

9 (2) If the Franchise Tax Board determines that the amount of
10 contributions estimated to be received during a calendar year will
11 not at least equal the minimum contribution amount for the calendar
12 year, this article is repealed with respect to taxable years beginning
13 on or after January 1 of that calendar year.

14 (3) For purposes of this section, the minimum contribution
15 amount for a calendar year means two hundred fifty thousand
16 dollars (\$250,000) for the first calendar year beginning after the
17 effective date of the act that deleted the repeal date specified in
18 subdivision (a), or the minimum contribution amount adjusted
19 pursuant to subdivision (c).

20 (c) For each calendar year, beginning with calendar year 2005,
21 the Franchise Tax Board shall adjust, on or before September 1 of
22 that calendar year, the minimum contribution amount specified in
23 subdivision (b) as follows:

24 (1) The minimum contribution amount for the calendar year
25 shall be an amount equal to the product of the minimum
26 contribution amount for the prior calendar year multiplied by the
27 inflation factor adjustment as specified in paragraph (2) of
28 subdivision (h) of Section 17041, rounded off to the nearest dollar.

29 (2) The inflation factor adjustment used for the calendar year
30 shall be based on the figures for the percentage change in the
31 California Consumer Price Index received on or before August 1
32 of the calendar year pursuant to paragraph (1) of subdivision (h)
33 of Section 17041.

34 (d) Notwithstanding the repeal of this article, any contribution
35 amounts designated pursuant to this article prior to its repeal shall
36 continue to be transferred and disbursed in accordance with this
37 article as in effect immediately prior to that repeal.

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